APPENDIX 4E
PRELIMINARY FINAL REPORT

1. DETAILS OF REPORTING PERIOD

Name of Entity	HeraMED Limited ("the Company")
ABN	65 626 295 314
Reporting Period	**31 December 2023**
Previous Corresponding Period	31 December 2022
Presentation Currency	US Dollars ("$")

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information	12 months ended 31 Dec 2023 $'000	12 months ended 31 Dec 2022 $'000	Increase/ (decrease) %	Amount change $'000
Revenues from ordinary activities	403	219	84.04%	184
Profit/(loss) from ordinary activities after tax attributable to members	(4,503)	(4,881)	(7.74%)	378
Net profit/(loss) for the year attributable to members	(4,503)	(4,881)	(7.74%)	378

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

Refer to section 14 below.

3. STATEMENT OF COMPREHENSIVE INCOME

Refer to attached Preliminary Final Report.

4. STATEMENT OF FINANCIAL POSITION

Refer to attached Preliminary Final Report.

5. STATEMENT OF CASH FLOWS

Refer to attached Preliminary Final Report.

6. STATEMENT OF RETAINED EARNINGS/CHANGES IN EQUITY

Refer to attached Preliminary Final Report.

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7. DIVIDENDS/DISTRIBUTIONS

No dividends declared in the current or prior year.

8. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

9. NET TANGIBLE ASSETS PER SHARE

	31 Dec 2023	31 Dec 2022
Net tangible asset/(liability) backing per ordinary security	(0.057) cents	0.751 cents

10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

11. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of associate or joint venture entity	N/A	
Reporting entity's percentage holding in this entity	N/A	
Contribution to net profit/(loss) (where material)	Current Period	Previous Period
Aggregate share of profits/(losses) of the above entity (where material)	Current Period	Previous Period

12. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE COMPANY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Refer to attached Preliminary Final Report.

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13. FOREIGN ENTITIES

Refer to attached Preliminary Final Report.

14. COMMENTARY ON RESULTS FOR PERIOD AND EXPLANATORY INFORMATION

Refer to commentary on page 1 of the attached Preliminary Final Report.

15. AUDIT

This report is based on accounts which are in the process of being audited. It is likely that the Auditor will issue an Independent Auditor's Report that will contain an 'Emphasis of Matter' paragraph drawing attention to a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern. The attached Preliminary Final Report has been prepared on a going concern basis. Please refer to note 1(a) Going Concern.

Authorised for release by the Board

Ron Weinberger

Dr Ron Weinberger

Executive Chairman

29 February 2024

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HERAMED LIMITED

ABN 65 626 295 314

PRELIMINARY FINAL REPORT
31 DECEMBER 2023



HERAMED LIMITED

PRELIMINARY FINAL REPORT 31 DECEMBER 2023

Review of operations

Unless otherwise stated, all figures in this report are in the Company's presentation currency, the US Dollar ("$").

HeraMED Limited ("HeraMED", "HMD" or "the Company") incurred a loss for the year ended 31 December 2023 of $4,502,770 (2022: $4,880,663). The net assets of the Group have decreased by $2,394,895 from $2,861,594 at 31 December 2022 to $466,699 at 31 December 2023. Revenues for the year ended 31 December 2023 increased to $402,897 from $218,915 for the year ended 31 December 2022.

As at 31 December 2023, the Group's cash and cash equivalents decreased from $2,616,639 at 31 December 2022 to $723,294.

Significant changes in the state of affairs

There were the following significant changes to the Company or the state of its affairs during the year:

- Resignation of Chief Executive Officer, Mr David Groberman
- Resignation of Chief Operating Officer Mr Tal Slonim
- Appointment of Dr Ron Weinberger as Executive Chairman
- Appointment of a new Chief Financial Officer, Mr Ido Toronchik and
- Placement of shares raising ~A$3.42M (before transaction costs).

Additional requirements for capital

During the year ended 31 December 2023, the Group raised a total of ~A$3.42M (before transaction costs). A further A$415,000 is expected in February 2024 following shareholder approval at an EGM which was completed on 23 February 2024. The Company undertook a non-renounceable pro-rata entitlement issue ("Offer") of 1 new Share for every 5 existing Shares held by eligible shareholders at an issue price of A$0.02 per share to raise up to approximately A$1.28m (before transaction costs). At the date of closing the Offer, the Company received A$224,713 and to date, the Company has received indicative offers for the balance of the shortfall from new investors and existing shareholders including the Company's Executive Chairman, Dr Ron Weinberger, who has received shareholders' approval to subscribe for up to A$500,000 in the shortfall shares. It is the Company's intention to conclude the placement of shortfall shares as soon as possible.

The Group's future capital requirements depend on numerous factors. The Group will require further funding – the amount will depend on the Group's ability to generate further revenues and the extent of development activities. Additional equity financing will dilute existing shareholders. If the Group is unable to obtain additional financing as needed, it will be required to reduce the scope of its operations and/or scale back its development programmes as the case may be. There is no guarantee that the Group will be able to secure additional funding or be able to secure funding on terms acceptable to the Group.

Highlights during the year

- Several new initiatives announced during the period including a partner agreement with Australia's largest e-health provider, Telstra Health;
- Clinical trial launched at Gold Coast Hospital for up to 90 pregnancies for six to nine months;
- MOU signed with US-based FemBridge, to develop a scalable, comprehensive maternity care solution;
- MOU signed with US-based Wingwomen, a tech-enabled FemHealth company that champions virtual and in-person care for Gynaecology, to undertake a 90-day evaluation;
- Strategic collaboration and commercial agreement signed with SA-based GPEx; to undertake a pilot to understand how HeraCARE can benefit pregnant mothers and the health industry;
- Accumulated total users on the platform was 3,051 and there were 72,604 accumulated total measurements as at 31 December 2023

The number of accumulated users on the platform continues to grow and reached 3,051 as at 31 December 2023. Furthermore, HeraMED continues to accumulate a significant repository of data which is proving to be increasingly valuable to a range of health providers. In turn this data will lead to accelerated patient data and the identification of early clinical intervention opportunities and reduction of mortality and morbidity. It will also accelerate our "data as an asset" approach and the use of our proprietary AI to assist in analysis and in the future, become integrated into our product.

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In November 2023, HeraMED signed a partner agreement with Australia's largest e-health provider, Telstra Health allowing HeraCARE to join Telstra Health's Smart Marketplace of approved partners. Telstra Health is Australia's largest provider of digital solutions and services to healthcare providers and governments across the care continuum and has over a decade of experience implementing and scaling virtual care solutions. HeraCARE represents the first maternity solution to joint Telstra Health's Smart Marketplace.

This agreement represents an exciting milestone for HeraMED to be partnering with such a prestigious global digital health provider.

One of the most exciting partnerships for HeraMED is at the Gold Coast University Hospital (GCUH), where during the period, a Clinical trial was launched for up to 90 pregnancies for six to nine months; with an objective to evaluate clinical usability, patient satisfaction, value for money and economic analysis.

GCUH prides itself on its leadership in digital transformation under their 'Digital 2024 (D24) strategic plan' and we continue to work together on the development of innovative products and IP for use in a hospital and health service setting.

In January 2024, a strategic collaboration and commercial agreement was signed with GPEx. GPEx is a national organisation headquartered in South Australia that aims to shape the future of health in Australia by delivering programs and services that promote excellence and equity, meeting the health and medical workforce needs of the communities which they serve.

GPEx has been delivering innovative solutions for primary care since 2002, including high-quality education and training, and workforce planning and capacity-building. They also run South Australia's state-wide GP Obstetric Shared Care Program, which contributes to 17% of births in the state.

In January 2024, a binding two-year agreement was signed with PHI Research, led by Associate Professor Paul Porter, joined by Dr Kym Jones; the leading clinical team and private obstetrician that led each of HeraCARE's clinical trials as well as the rollout of HeraCARE within the public hospital at JHC. Paul and Kym will make up a newly formed medical advisory team, supporting HeraMED as HeraCARE experts and Key Opinion Leaders.

FemBridge, a leading innovator in maternal healthcare solutions, based in Winfield (West Virginia) has signed a Memorandum of Understanding with HeraMED to collaborate on the development of a scalable, seamless, and comprehensive maternity care solution.

To date FemBridge has been engaged by HeraMED as an out-sourced business development function. The binding agreement; anticipated to be completed by 1 February 2024; will expand the partnership with FemBridge, to provide health professionals, sales executives, and other services. The FemBridge team will continue to work closely with HeraMED management and allow increased sales reach and expertise for HeraMED.

FemBridge and HeraMED will collaborate to integrate HeraCARE into a comprehensive service offering and source grants and payment options best suited to the offer. FemBridge has already reached a commercial agreement with the North Carolina Hospital Association to provide a maternity solution which will be powered by HeraCARE and represents a significant opportunity for HeraMED. This partnership will provide HeraMED with increased access to C-suite decision makers and government health experts, an improved understanding of the complex healthcare environment, provider and insurer needs and reimbursement.

Wingwomen Inc is a tech-enabled FemHealth company that champions virtual and in-person care for Gynaecology, family planning, health coaching, and doula support. The multidisciplinary team comprises Gynaecologists, Nurse Practitioners, Midwives, Doulas, Health Coaches, and Peer Group Facilitators across locations in Massachusetts, and a presence in California, Florida, Georgia, and Louisiana.

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Through an evaluation period of 90 days, Wingwomen will oversee up to 12 pregnant women of colour who are at risk for, or diagnosed with, Gestational Diabetes, Preeclampsia, and Gestational Hypertension, and provide them with HeraCARE and technology to monitor their blood pressure, fetal heart rate (FHR), weight and mood within the 3rd and 4th trimesters.

During 2023, e-Lōvu reached commercial agreements with a total of six clinics who in turn onboarded 221 pregnant mothers to the HeraCARE platform. There has been an acceleration in sign-ups during the year reflecting the pleasing traction they are observing, with 197 pregnant mothers added to the platform in the second half of the year. Discussions continue in relation to the finalisation of a formal commercial agreement.

Thank you for your unwavering support and trust in HeraMED. Your belief in our mission fuels our commitment to transforming maternity care. We are excited about the future and look forward to sharing more of our achievements in the coming months.

Sincerely,

Ron Weinberger

Dr Ron Weinberger

Executive Chairman

29 February 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		$	$
Revenue		402,897	218,915
Cost of sales		(160,960)	(78,282)
Gross profit		**241,937**	**140,633**
Research and development expenses		(1,405,708)	(758,079)
General and administrative expenses		(1,678,323)	(1,244,378)
Selling and marketing expenses		(1,125,228)	(497,843)
Depreciation and amortisation expenses		(441,071)	(358,412)
Share-based payments		(23,998)	(462,803)
Loss before finance expenses		**(4,432,391)**	**(3,180,882)**
Finance income		19,258	38,131
Finance costs – convertible notes		-	(1,415,873)
Finance expenses		(89,637)	(322,039)
Loss before income tax		**(4,502,770)**	**(4,880,663)**
Income tax expense		-	-
Loss for the year		**(4,502,770)**	**(4,880,663)**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(31,741)	126,834
Total comprehensive loss for the year attributable to owners of the Company		**(4,534,511)**	**(4,753,829)**
Loss per share attributable to owners of the Company			
Basic/diluted loss per share		(0.017)	(0.023)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents		723,294	2,616,639
Trade receivables		142,145	9,521
Other receivables		201,615	245,427
Inventory		246,746	171,393
TOTAL CURRENT ASSETS		**1,313,800**	**3,042,980**
NON-CURRENT ASSETS			
Plant and equipment		52,133	75,412
Intangible assets		648,428	1,038,234
TOTAL NON-CURRENT ASSETS		**700,561**	**1,113,646**
TOTAL ASSETS		**2,014,361**	**4,156,626**
CURRENT LIABILITIES			
Trade and other payables		818,203	560,700
Borrowings		177,859	178,152
Liability for Israel Innovation Authority grants		31,515	51,298
TOTAL CURRENT LIABILITIES		**1,027,577**	**790,150**
NON-CURRENT LIABILITIES			
Liability for Israel Innovation Authority grants		520,085	504,882
TOTAL NON-CURRENT LIABILITIES		**520,085**	**504,882**
TOTAL LIABILITIES		**1,547,662**	**1,295,032**
NET ASSETS		**466,699**	**2,861,594**
SHAREHOLDERS' EQUITY			
Issued capital	3	24,110,264	22,158,860
Share-based payment reserve	4	5,171,528	4,983,316
Predecessor Accounting reserve		(133,879)	(133,879)
Foreign exchange reserve		60,909	92,650
Accumulated losses		(28,742,123)	(24,239,353)
SHAREHOLDERS' EQUITY		**466,699**	**2,861,594**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Issued capital	Share-based payment reserve	Predecessor Accounting reserve	Foreign exchange reserve	Accumulated losses	Total
	$	$	$	$	$	$
Balance at 1 January 2022	**16,481,265**	**2,939,503**	**(133,879)**	**(34,184)**	**(19,358,690)**	**(105,985)**
Loss for the year	-	-	-	-	(4,880,663)	(4,880,663)
Other comprehensive income	-	-	-	126,834	-	126,834
Total comprehensive loss for the year	-	-	-	126,834	(4,880,663)	(4,753,829)
Transactions with owners in their capacity as owners:						
Issue of shares	5,979,148	-	-	-	-	5,979,148
Capital raising costs	(301,553)	-	-	-	-	(301,553)
Share based payments	-	2,043,813	-	-	-	2,043,813
Balance at 31 December 2022	**22,158,860**	**4,983,316**	**(133,879)**	**92,650**	**(24,239,353)**	**2,861,594**
Balance at 1 January 2023	**22,158,860**	**4,983,316**	**(133,879)**	**92,650**	**(24,239,353)**	**2,861,594**
Loss for the year	-	-	-	-	(4,502,770)	(4,502,770)
Other comprehensive income	-	-	-	(31,741)	-	(31,741)
Total comprehensive income/(loss) for the year	-	-	-	(31,741)	(4,502,770)	(4,534,511)
Transactions with owners in their capacity as owners:						
Issue of shares (refer to note 3)	2,314,888	-	-	-	-	2,314,888
Capital raising costs (refer to note 3)	(363,484)	-	-	-	-	(363,484)
Share based payments (refer to note 4)	-	188,212	-	-	-	188,212
Balance at 31 December 2023	**24,110,264**	**5,171,528**	**(133,879)**	**60,909**	**(28,742,123)**	**466,699**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		519,758	271,228
Payments to suppliers and employees		(4,326,267)	(2,846,725)
Interest received		14,659	17,029
Finance costs paid		(4,614)	(1,845)
Net cash (used in) operating activities		**(3,796,464)**	**(2,560,313)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,394)	(4,649)
Payments for capitalised development expenses		-	(686,132)
Net cash (used in) investing activities		**(1,394)**	**(690,781)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from equity instruments of the Company	3	2,121,156	2,641,669
Repayment of lease liabilities		(101,170)	(102,902)
Net cash provided by financing activities		**2,019,986**	**2,538,767**
Net (decrease) in cash and cash equivalents		**(1,777,872)**	**(712,327)**
Cash and cash equivalents at the beginning of the financial year		2,616,639	3,559,018
Impact of movement in foreign exchange rates		(115,473)	(230,052)
Cash and cash equivalents at the end of the financial year		**723,294**	**2,616,639**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial report

The preliminary final report has been prepared in accordance with the ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

a) Going concern

The preliminary final report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss for the year ended 31 December 2023 of $4,502,770 (31 December 2022: $4,880,663) and net cash outflows used in operating activities was $3,796,464 (31 December 2022: $2,560,313).

Whilst the Group is expected to be cash-flow negative in the foreseeable future as a result of investments in ramping up sales and development of new products, the ability of the Group to continue as a going concern is dependent on securing additional funding through equity or debt or a combination of both to continue to fund its operational and technology development activities and repay current borrowings. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the ongoing operations of the Group for the following reasons:

- the Group has recently been successful in raising funds and is confident in its ability to raise further capital if and when required;
- the level of expenditure can be managed;
- borrowings currently due can be extended; and
- the directors of HeraMED have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected through the sale of the Group's products and services.

Should the Group not be able to continue as a going concern, it will be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the preliminary report or raise additional capital through equity raisings and that the preliminary report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

The directors plan to continue the Group's operations on the basis outlined above and are confident there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

b) Basis of Measurement and Reporting Conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

c) Adoption of new and revised Australian Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2023.

New and revised Standards and amendments thereof and Interpretations effective for the financial year that are relevant to the Group include:

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The adoption of this Amendment has had no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

d) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

Share based payments

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on the fair value less cost of disposal. The Company reviews intangible assets for impairment once a year or more frequently if events or changes in circumstances indicate that there is an impairment. An impairment loss is recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is lower than the carrying value of the cash-generating unit.

The Directors make estimates and judgements in preparing the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based and are based on current trends and economic data, obtained both externally and within the Group.

Development costs

Costs relating to the development of HeraBEAT and HeraCARE are capitalised in accordance with AASB 138 *Intangible Assets*. Capitalised costs include all direct costs associated with the development of the asset. The development asset is amortised over a 6-year period from the capitalisation date which is determined by the useful life of the asset, ability to use or sell the asset, generation of future benefits and the ability to measure the costs reliably and whether the costs, including payroll costs are directly attributable to relevant projects.

Liability for Israel Innovation Authority grants

The Company measured its liability on governmental grants received, each period, based on discounted cash flows derived from the Group's future anticipated revenues. The grant is repayable upon the Group commencing product commercialisation and generating revenue from the sale of the product, with repayments being based on 3%-4.5% of each dollar of revenue. As required by AASB 9 *Financial Instruments*, the liability has been recognised at fair value on initial recognition and subject to management's estimate of the discount rate and the timing and quantity of future revenues.

At the end of each reporting period, the Company evaluates, based on its best estimate of future sales, whether there is reasonable assurance that the liability recognised, in whole or in part, will not be required to be repaid (i.e. if the Company will not be required to pay royalties). If there is such reasonable assurance, the appropriate amount of the liability is derecognised and recorded in profit or loss as a revaluation of research and development expenses. If the estimate of future sales indicates that there is no such reasonable assurance, the appropriate amount of the liability that reflects expected future royalty payments is recognised with a corresponding adjustment to financial expenses or income.

NOTE 2: LOSS PER SHARE	**2023**	**2022**
	$	**$**
Loss per share (EPS)		
a) Loss used in calculation of basic EPS and diluted EPS	(4,502,770)	(4,880,663)
b) Weighted average number of ordinary shares outstanding at year end used in calculation of basic and diluted loss per share	260,462,332	214,103,669

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

NOTE 3: ISSUED CAPITAL	2023 $	2022 $
(a) Share Capital		
321,264,191 (31 December 2022: 242,657,048) fully paid ordinary shares	24,110,264	22,158,860

(b) Movement in Ordinary Capital

		31 Dec 2023		31 Dec 2022
Fully paid ordinary shares	**No.**	**$**	**No.**	**$**
Balance at the beginning of the year	242,657,048	22,158,860	188,229,652	16,481,265
Issue of shares (i)	36,857,143	1,747,421	-	-
Issue of shares (ii)	41,750,000	567,467	-	-
Issue of shares (iii)	-	-	622,215	87,010
Issue of shares (iv)	-	-	91,666	10,575
Issue of shares (v)	-	-	111,109	16,031
Issue of shares (vi)	-	-	22,833,176	3,152,749
Placement (vii)	-	-	26,104,258	2,326,096
Placement (viii)	-	-	4,664,972	386,687
Share issue costs	-	(363,484)	-	(301,553)
Balance at the end of the year	**321,264,191**	**24,110,264**	**242,657,048**	**22,158,860**

(i) Issue of shares on 20 July 2023 at A$0.07 per share pursuant to a Placement.
(ii) Issue of shares on 22 December 2023 at A$0.02 per share pursuant to a Placement.
(iii) Issue of shares on 28 January 2022 following exercise of 622,215 unlisted options at A$0.20 per option.
(iv) Issue of shares on 28 January 2022 following exercise of 91,666 unlisted options at A$0.165 per option.
(v) Issue of shares on 21 February 2022 following exercise of 111,109 unlisted options at A$0.20 per option.
(vi) Issue of shares on 29 April 2022 at A$0.195 following the conversion of 2,392,047 convertible notes.
(vii) Issue of shares on 31 August 2022 at A$0.13 per share pursuant to a Placement.
(viii) Issue of shares on 25 October 2022 at A$0.13 per share pursuant to a Placement.

(c) Capital Management

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity and/or debt raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

NOTE 4: SHARE BASED PAYMENTS

During the year ended 31 December 2023, the Company recorded the following share-based payments:

- The issue of 12,000,000 Options exercisable at A$0.12 on or before 20 July 2026 to corporate advisors, Clarity Capital Advisors Pty Ltd for acting as lead manager to the Placement ("**Broker Options**"). The fair value of the options has been determined using Black-Scholes pricing model as the fair value of the service provided could not be reliably determined.
- The issue of 7,500,000 unlisted Options exercisable at A$0.0975 on or before 31 December 2025 to Dr Ron Weinberger ("**Weinberger Options**") following his terms of engagement as Executive Chairman. The fair value of the options has been determined using the Black-Scholes pricing model. There are various milestones which have to be met for the Options to vest and become exercisable.

Fair value

The inputs to the pricing models and valuations for options issued in the current reporting period are as follows:

	Broker Options	Weinberger Options
Number of options	12,000,000	7,500,000
Grant date	19 Sept 2023	19 Sept 2023
Exercise price	A$0.12	A$0.0975
Expected volatility	75%	72%
Implied option life (years)	3	2
Expected dividend yield	nil	nil
Risk free rate	3.91%	3.94%
Valuation per option (A$)	0.0212	0.0199
Exchange rate	1.5492	1.5492
Valuation per option (US$)	0.0137	0.0128
Total valuation (US$)	164,214	96,243

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CONSOLIDATED NOTES TO THE PRELIMINARY FINAL REPORT FOR YEAR ENDED 31 DECEMBER 2023

NOTE 4: SHARE BASED PAYMENTS (cont'd)

Share based payment expense and expenses recognised in equity is comprised as follows:

	2023 $	2022 $
Share option plans	13,960	214,158
Issue of Ratdog Options	-	246,482
Issue of Anoushka Options	5,230	2,163
Issue of Weinberger Options	4,808	-
Total recognised in profit or loss	23,998	462,803
Issue of Advisory Options	-	116,792
Issue of 12,000,000 Broker Options	164,214	-
Total recognised in equity	164,214	116,792
Issue of Convertible Notes Options recognised as finance expense	-	1,439,688
Share option plans – capitalised under Intangible assets	-	24,530
Total share-based payments expense recognised in reserves	188,212	2,043,813

NOTE 5: EVENTS AFTER THE REPORTING PERIOD

On 16 January 2024, the Company announced it had entered into a strategic collaboration agreement with GPeX (SA), an organisation that delivers innovative solutions for primary care. Including education and training, GP shared care programs, workforce solutions and clinical trials. This is a paid pilot at commercial rates for the set-up, customisation, maternity care plans, low level integration training, HeraBEAT and ongoing support.

On 17 January 2024, Ms Emily Slade resigned as non-executive director of the Company.

On 18 January 2024, the Company announced a non-renounceable entitlement offer of one new ordinary HMD share for every five ordinary HMD shares ("Offer") held by eligible shareholders to raise up to approximately A$1.28 million (before offer and transaction costs). At the date of closing the Offer, the Company received A$224,713 and to date, the Company has received indicative offers for the balance of the shortfall from new investors and existing shareholders including the Company's Executive Chairman, Dr Ron Weinberger, who has received shareholders' approval to subscribe for up to A$500,000 in the placement of shortfall shares. It is the Company's intention to conclude the placement of shortfall shares as soon as possible.

On 22 January 2024, the Company announced it had entered into a binding two-year strategic collaboration agreement with two leading private Obstetricians at Joondalup Health Campus, Western Australia.

On 23 February 2024, the Company held a General Meeting where shareholders approved the issue of 20,750,000 Tranche 2 Placement Shares at A$0.02 per share to raise A$415,000 (before transaction costs) amongst other resolutions.

On 28 February 2024, the Company announced that Broward Health has signed a two-year agreement for adoption of the HeraCARE platform, beginning with 700 HeraCARE licenses and 200 bundles of hardware (including HeraBEAT devices), representing the largest deployment in USA to date. Broward Health will pay HeraMED US$99,600 up front for 200 bundles (each bundle to include a HeraBEAT, Blood Pressure Cuff, Bluetooth Scale and a co-branded Diaper bag). Broward Health will also pay US$100,400 in advance in each of the next two years, for up to 700 active licenses. There is an option for Broward Health to purchase another 200 bundles for US$99,600 at any point during the two years and if Broward Health exercises this option, then the total consideration would be approximately US$400,000 over the two years.

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